



## **Joint Select Committee on Budget and Appropriations Process Reform Testimony**

CBO has an incredibly important role in providing budget and cost analysis for legislation in Congress. Given the weight these scores have on the ability of members of Congress to make policy decisions, it should be a top priority that CBO's standards are of the highest possible quality, so that they may provide the best possible analysis for policymakers.

When CBO fails to accurately predict the impact of policies, legislators lack the resources to make educated decisions. Examples include:

- Healthcare: Upon passage of ACA, CBO projected 21 million people would be enrolled in the exchanges in 2016. In reality, roughly 10 million people signed up making for an overshoot of 120%.
- Healthcare: In 2014, CBO predicted Medicaid expansion would cost \$42 billion in 2015. In reality, the actual cost was \$68 billion, about %62 higher

**Along with Senator Mike Lee, I introduced H.R.3822 - CBO Show Your Work Act to increase transparency, accountability and accuracy of the CBO's projections.**

### **What the Legislation Does:**

- Requires CBO to publish online all data, models, and processes utilized in the analyses and scoring of legislation.
- Specifies that the data and information provided must be sufficient so that individuals outside of CBO can understand, replicate, and, reproduce the results found within the CBO scores.
- Should CBO not be allowed to disclose certain datasets then they must instead publish:
  - A complete list of data variables for that data, including descriptive statistics, averages, standard deviations, correlations, etc.
  - A reference to the statute or rule preventing them from disclosing the data, and
  - The contact information for the individual or entity who has unrestricted access to the data

### **Why this Bill is Important:**

Reputable academic institutions around the world, in a wide variety of fields, increasingly require scholars to "show their work" before they are allowed to publish findings. For example, the American Economic Association's "*Data Availability Policy*" reads:

*"It is the policy of the American Economic Association to publish papers only if the data used in the analysis are clearly and precisely documented and are readily available to any researcher for purposes of replication."*

The most recent healthcare debate highlights the need for this legislation. It is important that CBO adopts this widely accepted and acknowledged data availability standard so that Members of Congress, outside experts, and any individual can understand CBO's methodology and raise concerns about its limitations.

**Concerns:**

There are some concerns that increased transparency may prevent companies from sharing information which may improve the accuracy of CBO's predictions. I am happy to work with the budget Committee to prevent anything in my bill from being construed to require CBO to release information that would jeopardize the accuracy of its models.